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INQUIRE=DOC18D
ITEM NO=00349469

ENVELOPE

CDSN = LGX305 MCN = 92184/41766 TOR = 921842207
OTTCZYUW RUEKJCS7066 1842209-CCCC--RUEALGX.
ZNY CCCCC

HEADER

O 022209Z JUL 92
FM JOINT STAFF WASHINGTON DC
INFO RUEADWD/OCSA WASHINGTON DC
RUEAHQA/CSAF WASHINGTON DC
RUCGDEF/NATS PENTAGON WASHINGTON DC
RUEADWD/PTC WASH DC
RUFGAID/USEUCOM AIDES VAIHINGEN GM
RUDOGHA/USNMR SHAPE PE//URVEY//
RUEOACC/CDRPSYOPGP F//AGG NC//AORC-POG-SB//
RUCJACC/USCINCENT MACDILL AFB FL//CARA//
RULKQAN/MARCORINTCEN QUANTICO VA
RUEALGX/SAFE
O 022205Z JUL 92
FM SECSTATE WASHDC
TO AMEMBASSY ABU DHABI IMMEDIATE 2329
BT

CONTROLS

C O N F I D E N T I A L STATE 212027

E.O. 12356: DECL: OADR

BODY

TAGS: EFIN EINV PREL TC US
SUBJECT: BCCI: DOJ REQUEST FOR RULING FAMILY FUNDS
REF: (A) 92 STATE 192818, (B) 92 ABU DHABI 4922

1. IN RESPONSE TO YOUR INQUIRY IN REF (B), DEPARTMENT REPORTS THAT THE JUSTICE DEPARTMENT HAS CONFIRMED THE ACCURACY OF THE INFORMATION OUTLINED IN VARIOUS NEWS STORIES PUBLISHED LAST WEEK.

2. THE JUSTICE DEPARTMENT'S OFFICE OF ASSET FORFEITURE HAS BEEN ENGAGED SINCE LAST FALL IN EXECUTING THE FORFEITURE ASPECTS OF A PLEA AGREEMENT ENTERED BY SEVERAL BCCI-RELATED ENTITIES (INCLUDING ITS CAYMAN ISLANDS AFFILIATE, ICIC OVERSEAS LIMITED) IN U.S. DISTRICT COURT IN WASHINGTON. A KEY ELEMENT OF THE PLEA AGREEMENT IS THE FORFEITURE OF ALL U.S. ASSETS OF SUCH ENTITIES.

3. IN CONNECTION WITH REVIEWING THE RECORDS OF ICIC OVERSEAS LIMITED, JUSTICE DISCOVERED THE EXISTENCE OF SEVERAL ACCOUNTS IN THE NAME OF ICIC INVESTMENTS, AND SUBSEQUENTLY UNCOVERED DIFFERENT ACCOUNTS IN THE NAME OF ICIC INVESTMENTS ON DEPOSIT WITH VARIOUS U.S. FINANCIAL INSTITUTIONS. AT LEAST A PORTION OF THESE DEPOSITS

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1/13/95

IS/FPC/CDR	MR Cases Only:	EU Citations	TS authority (S)	() CLASSIFY as () S or () C OADR	() DOWNGRADE IS to () S or () C OADR
DEPARTMENT OF STATE	DECLASSIFY	DECLASSIFY	IN PART	Non-Responsive Info	FOIA Exemptions
(X) RELEASE	(X) EXCISE	() DENY	() DELETE	() PA	() Exemptions

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REPRESENT FUNDS ORIGINALLY INVESTED BY SHEIKH ZAYED. SHEIKH ZAYED'S LAWYERS, PATTON BOGGS & BLOW, ASSERT THAT ICIC OVERSEAS LIMITED HANDLED MONEY ON BEHALF OF THE SHEIKH IN SPECIAL DEPOSIT ACCOUNTS THAT WERE MAINTAINED SEPARATELY FROM BCCI OPERATIONS, AND THEREFORE THEY ARE NOT SUBJECT TO FORFEITURE UNDER THE TERMS OF THE PLEA AGREEMENT. DOCUMENTS REVIEWED BY JUSTICE, HOWEVER, SUGGEST THAT DOMINION AND CONTROL OVER THE SHEIKH'S FUNDS WAS EXERCISED WITHOUT LIMITATION BY ICIC AND BCCI. ACCORDINGLY, IN THE VIEW OF THE JUSTICE DEPARTMENT, THESE MONIES ARE PART AND PARCEL OF, AND AS A LEGAL MATTER TAINTED BY, THE LARGER BCCI CRIMINAL ENTERPRISE. IN SUM, TO DATE JUSTICE HAS NOT RECEIVED CONVINCING DOCUMENTARY EVIDENCE TO SUBSTANTIATE ABU DHABI CLAIMS TO THE CONTRARY.

4. ON WEDNESDAY, JUNE 24, JUSTICE FILED A MEMORANDUM OF LAW IN SUPPORT OF ITS MOTION TO AMEND THE COURT'S ORIGINAL ORDER OF FORFEITURE THAT WOULD ALLOW THEM TO SEIZE ACCOUNTS THAT HOLD MONEY INVESTED BY SHEIKH ZAYED. SHEIKH ZAYED'S LAWYERS HAVE THE OPTION OF FILING A MOTION OPPOSING JUSTICE'S ATTEMPT TO SEIZE THE FUNDS, BUT BASED ON PRECEDENT IN THE CASE, THE COURT MAY WELL GRANT JUSTICE'S MOTION REGARDLESS OF ANY SUCH OPPOSITION AND REQUIRE SHEIKH ZAYED'S LAWYERS TO FILE A FORMAL CLAIM. THE APPLICABLE STATUTE PERMITS CLAIMANTS TO FULLY CONTEST THE GOVERNMENT'S FORFEITURE ACTION. AT THE MOMENT, THE COURT'S ORDER FREEZING ALL FUNDS IN QUESTION HAS BEEN EXTENDED THROUGH AUGUST 13.

5. JUSTICE FULLY CONSIDERED THAT PROCEEDING WITH THIS ADDITIONAL FORFEITURE MIGHT JEOPARDIZE ANY HOPE OF OBTAINING THE COOPERATION OF ABU DHABI AND UAE AUTHORITIES WITH RESPECT TO DOCUMENTS AND WITNESSES THAT REMAIN IN THAT COUNTRY. HOWEVER, JUSTICE WAS COMPELLED TO ACT AT THIS TIME IN ORDER TO COMPLY WITH THE JUNE 30 DEADLINE PREVIOUSLY ESTABLISHED BY THE COURT AS TO THIS MATTER.

6. IN THE EVENT YOU RECEIVE AN OFFICIAL QUERY FROM LOCAL OFFICIALS, INFORM THE DEPARTMENT, WHICH WILL PROVIDE YOU SPECIFIC INSTRUCTIONS REGARDING A RESPONSE.

BAKER
ADMIN
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